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Destroying our Planet

In this issue of Socialist Review



The orgy of speculation in the US 'sub prime' housing market has hit the wall with record numbers of American families losing their homes. New Zealand's housing market is similarly exposed. Combined with rising food and petrol prices, working people are staring down the barrel of another economic recession. Chris Baxter outlines today's economic faultlines and explains the tendency of capitalism to crisis. Page 3

Capitalism has always experienced a periodic pattern of boom and bust - what capitalist economists call the business cycle. Almost every decade since the late 1700s has witnessed such a pattern of rapid growth followed by widespread stagnation or recession. "In these crises", wrote Karl Marx (right), "there breaks out an epidemic that, in all earlier epochs, would have seemed an absurdity - the epidemic of over-production." Page 7



A Soweto store called "Justice" is as close as many South Africans can get to the goals of equality and socialism that inspired the anti-apartheid struggle. Despite the heroic and victorious struggle against the apartheid regime, the state - with its prisons, police and army - remains, as does the gap in wealth between black and white. Page 12



The most recent protests against Chinese rule in Tibet began as monks marking Tibetan Uprising Day were arrested by Chinese police. The explosion of anger showed that Tibetan resistance to colonisation continues. In the West, many pro-Tibet activists look to the UN. We argue that liberation can be won by Tibetan workers and peasants themselves - with the support of the Chinese working class. Page 9.



Global warming and the terror of war are perhaps the two greatest issues that confront the world today. Both tend to result in the further impoverishment of the poor in the East and the West, while the rich profit. Global warming can be traced back to the environmental destruction inherent in class-divided societies, especially capitalism.



Iron Man is the latest superhero to get his own film as Hollywood continues to loot the pages of comics in a desperate search for a blockbuster. In box office terms a blockbuster is what they've produced, as it's one of only ten films ever to have taken more than \$100 million in the first three days of its release. Fans of the comic series will be pleased to discover that the makers have been faithful to the character and to a mythology which stretches back over 40 years. But that's actually a problem.

See Page 18 for a review of this movie and 'The Three Trillion Dollar War', by Joseph E. Stiglitz & Linda J. Bilmes.



A System Rotten to the Core

Recent months have seen the world economy go from bad to worse. Finance companies are tumbling like dominoes, while inflation rises ever more rapidly, eating into the wages of workers and the poor. Rising food prices have already had a devastating impact on the third world, where the problem previously has been the low goods prices paid to producers, millions more now face the situation where they can no longer buy food and basic necessities on the 'free market'.

The current crisis has its roots deep inside the capitalist system. The initial trigger – a collapse in the sub-prime mortgage market in the United States – has its origins in the unsustainable level of debt generated from the 'solution' to the last recession in the late 90s. Cheap and easily available debt fuelled a round of economic expansion based on speculation rather than the production of actual, tangible assets. But the growth generated in this way was not in any way substantial. Problems were compounded as competition in the market forced firms to slash their number one cost – wages.

Ultimately, it was workers wages that paid for the debt that drove the system forward and eventually, when they could no longer afford to pay, the whole edifice began to collapse. The disaster has now spread from the US sub-prime market internationally, and to other sectors of the economy, and a cataclysm now threatens the whole world. This, when by statistical standards, we have not yet even entered the recession!

Along with a diseased economic system comes politics that can only be described as sick. Imperialism is not the result of a few 'bad apples' or the mistaken policies of the



world's superpowers, but a direct result of competition the drive for economic expansion. Every party that aims to work through the established political and economic system is complicit – the need to run an economy is the reason the Democrats in the US won't effectively oppose George Bush's wars, and refuse to impeach a criminal president. Closer to home, the same need is at the root of the foreign policy of armed intervention in the Pacific expounded by both the Labour Party and the Greens – interventions that have increased poverty in Afghanistan, East Timor and the Solomon Islands.

But in the midst, of all the gloom there is still hope. The same system that creates poverty and war gives workers unprecedented power to resist. And when the system savages them resist they do. The sudden plunge into hunger has created riots on the streets of the third world, in counties as far apart as Indonesia and Egypt. In South Africa, a long tradition of struggle against racism is coming home to the sell-outs in the ANC. And resistance is spreading. Riots and protests at the price of fuel spread through the streets of Europe in April and May. Poverty and want has made the political playing field tinder dry. If the resistance to rising prices emboldens the workers in western factories, a single spark could set the whole world on fire.

Cory Anderson



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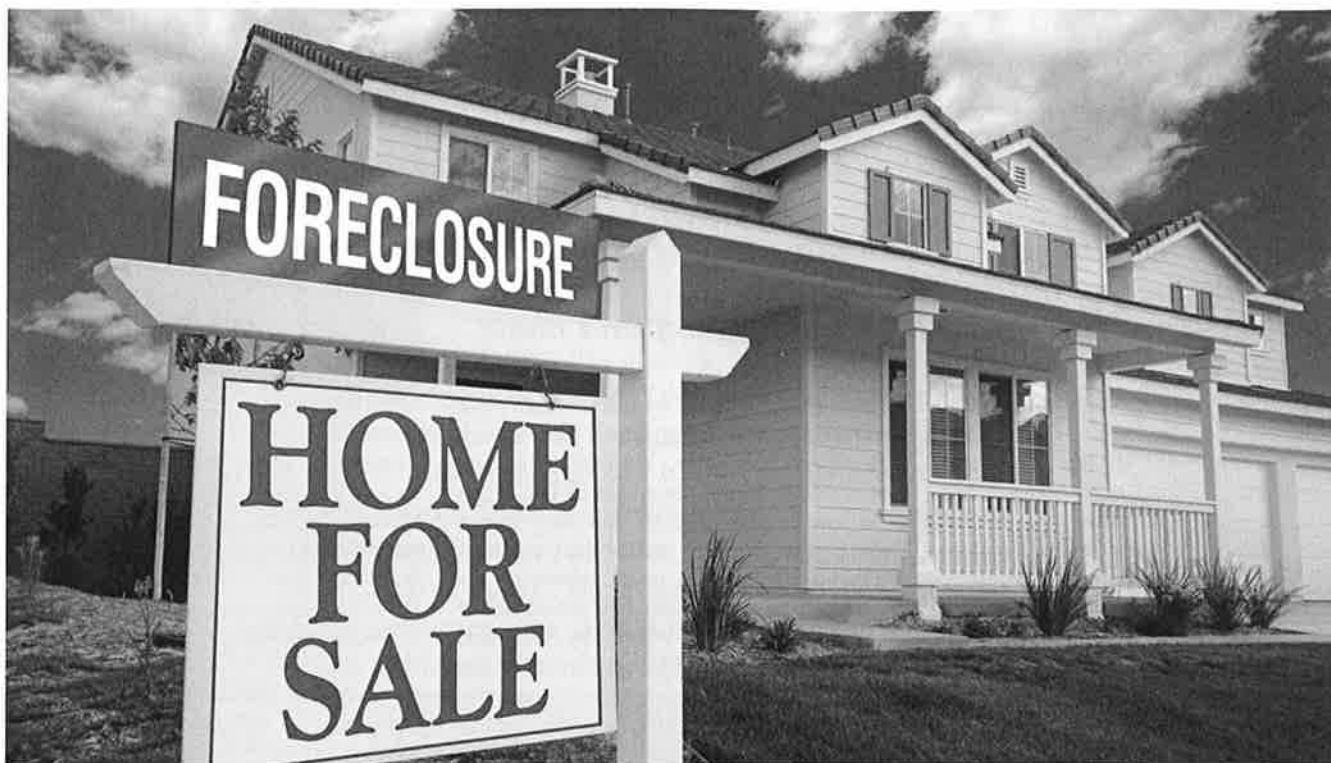
contact@iso.org.nz

Australia

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Economic crisis: symptom of a sick system



A decade of shallow economic recovery looks like it is coming to a messy end, as the cheap credit that fuelled an international housing boom dries up.

Weakness in the US economy has become obvious as a record number of homeowners faced foreclosure on their properties in May. To make things worse, food prices around the world have increased drastically.

In New Zealand, companies are closing factories. Dunedin-based PPCS Ltd., the nation's biggest meat processor, said in April it would shut two abattoirs and fire 604 workers. Fisher & Paykel Appliances Ltd. announced at the same time it was closing its Mosgiel dishwasher manufacturing plant, with the loss of 430 jobs. Dunedin's Tamahine Knitwear sacked a further 50 workers when it shut down in April.

In June, Reserve Bank chairman Alan Bollard warned economic activity was weakening.

"The global economy is currently experiencing significant increases in oil and food prices. These price increases are occurring at the same time as activity is weakening in many economies in response to the global credit crisis and slowing housing markets. In New Zealand, this confluence of factors is producing a challenging environment of weak activity and high inflation," Bollard said.

"We project little GDP growth over 2008 and only a modest recovery thereafter, largely reflecting a weaker household sector."

What he's saying is that economic growth in New Zealand is basically at a standstill, and will only marginally recover over the next few years.

Other economic commentators are pretty much saying the same thing now – the OECD boffins are reported in the Herald this week as predicting that economic growth will slow "from 3.4 per cent last year to 1.3 per cent in 2008 before picking up to 2.1 per cent in 2009".

Of course at the beginning of the year, economists were pretty much saying the same thing – there would be an "easing" in the short term, followed by a slow recovery.

29,000 jobs lost

That easing turned out to be the above-mentioned contraction, and the 29,000 less jobs the country lost over the same period doesn't include those PPCS and Fisher and Paykel workers facing redundancy – nor the thousands of other workers who've lost their livelihood in the last couple of months of this so called "easing".

So while bourgeois economists around the world are desperately trying to paint a rosy picture for the future, a number of prominent Marxist economists are predicting worse outcomes. For example Fred Moseley writes in the International Socialist Review that:

"A comparison with 1929 is alarming. In 1929, there was very little household debt.

Business debt in relation to profit was about half as high as today... The US was a net creditor and yet the defaults and bankruptcies resulting from these lower levels of debt were so bad that one-third of banks failed and the Great Depression lasted for more than a decade. What catastrophe would happen with the current levels of debt, one can hardly even imagine."

This sentiment has been reinforced by the collapse of investment bank Bear Stearns. Although we should be cautious about making predictions it's going to be a few more months before we know the full extent of the crisis.

'Financial folly'

As far as many bourgeois economists are concerned, the easiest explanation for the crisis is to blame the bankers. The crisis "follows a well-trodden path laid down by centuries of financial folly", says Ken Rogoff, former chief economist at the International Monetary Fund.

Raghuram Rajan, another former IMF chief economist, thinks the problem is the vast bonuses bankers receive when they lend and borrow. Billionaire financier George Soros blames "the financial authorities" for "injecting liquidity...to stimulate the economy". This "encouraged ever greater credit expansion".

Even the French president, Nicolas Sarkozy, has joined the chorus, declaring that "something seems out of control" with the financial system. He should know, since his half-brother heads the European wing of the Carlisle Group, whose hedge fund has

gone bust.

Simply blaming the avarice and short-sightedness of bankers does not explain how they found it so easy to get the funds that they gambled so heavily. It also avoids asking what shape the world economy would have been in without such lending.

In 2001, the then head of the US Federal Reserve Alan Greenspan encouraged the financial market to let rip and provide for such borrowing when panic over the 9/11 attacks threatened to exacerbate an already deepening recession.

The Italian Marxist Riccardo Bellofiore has aptly called this reaction "privatised Keynesianism".

It was not just a question of a central banker doing favours for his friends who ran big private banks. As Financial Times editor Martin Wolf said: "Surplus savings" created "a need to generate high levels of offsetting demand", and lending to poor people provided it.

"US households must spend more than their incomes. If they fail to do so, the economy will plunge into recession unless something changes elsewhere".

"The Fed could have avoided pursuing what seem like excessively expansionary monetary policies only if it had been willing to accept a prolonged recession, possibly a slump".

The consequence of this cheap credit was an international housing bubble that was responsible for 40 percent of growth and job creation in the US and giving the appearance of a stronger recovery.

Sub-prime mortgage scandal

Housing prices soared on the basis of low mortgage rates, producing large profits for builders, developers, mortgage brokers, and banks. To keep production up, "exotic" mortgages were invented, with no down-payments, and low-monthly contributions based on inexpensive "teaser" rates for an initial period of two years that were then offset by drastically higher rates of 9 to 11 percent for the remaining twenty-eight years. Buyers were assured they could avoid these higher rates. Since home prices were rising rapidly, they would acquire tremendous value in their houses and with good credit derived from their monthly payments, they would be able to refinance at lower rates.

And if the mortgages could not be repaid, the bankers reasoned, the rising value of houses made foreclosure a favourable option.

The enormous profits from this arrangement produced the typical capitalist cyclical outcome—an overproduction of houses, which could not be sold at the usual profit.

People found that with falling home prices they could not refinance, and were now stuck with these higher, unaffordable rates. Within a few months, half a million families couldn't make their mortgage



Crowds gather on Wall Street as the stock market plunged on Black Tuesday in October 1929. The collapse in share values that ushered in the great depression of the 1930s was only one outward expression of the collapse of the profit system that brought industry to a standstill, slashing production, jobs and sending millions into poverty.

payments and lost their homes. It is estimated that if the economy doesn't get worse (which no one now believes) an additional two million families in the US alone will lose their homes in the next two years as mortgage rates rise beyond their ability to pay.

Beyond the human tragedy, this will add to the large inventory of unsold houses, further depressing prices. Many mortgages will be greater than the house is worth, which in turn will lead more people to walk away from homes with inflated prices, producing even more forecloses, and further price declines. And of course the banks are now refusing to make mortgages in declining or unstable markets, narrowing the pool of potential buyers. It is the mad logic of the capitalist market in crisis spiralling downward and producing the worst housing depression since the 1930s.

As the housing industry contracts there is less demand for furniture, appliances, home

decorating and improvement goods, etc. Manufacturing orders are falling. Construction, financial, and industrial workers are starting to be laid off.

International credit crunch

These are the conditions that are producing an international credit crunch, in which banks are reluctant to lend money to corporations or other banks because they are afraid they will not be repaid, or because of the necessity to preserve capital to deal with the bad debts on their books.

It is estimated that the sub-prime crisis alone may cause a contraction of the banks' ability to lend US\$2 trillion, further deepening a recession. Already, a few banks in Germany and England have had to be rescued from bankruptcy by state bailouts. Many of the large European and Asian banks have suffered substantial losses from the US mortgage meltdown.

And that is before the bursting of the



ECONOMY

housing bubbles in other countries like New Zealand, where housing prices were even more inflated than in the United States. The Swiss bank UBS was forced to take a US\$10 billion writedown in December, and it also received an US\$11.5 billion capital infusion from Singapore's state investment arm and a Middle East investor.

The financial bust in the US threatens to produce massive international crises as it finally bursts the limits of the long, unsustainable, structural imbalances of the global trading system.

As far as New Zealand is concerned, there is some talk that the economic boom in China, along with our recent free trade agreement will keep us out of crisis. The problem with this scenario is that these economies are dependent on exports to the US, Europe, and Japan for their booms. If countries like China, India, and other developing nations are dependent on the most advanced countries for their markets, then a recession in the US, Japan, and Europe will also drag them down.

The real casualties of the economic turmoil will not be the billionaire financial speculators. Already on the outskirts of Los Angeles shanty towns are springing up. Bank seizures of US homes almost doubled in January. Repossessions rose 90 per cent to 45,327.

The collapse of Bear Stearns means half of its 14,000 employees will lose their jobs and their life savings which were tied up in company stock. A recently imposed pay cut

in the US car industry means newly hired workers will be paid half what workers earned previously.

Locally, we've had announcements of the closure of the Wickliffe printery, the Sealords plant, Fisher and Paykel and the PPCS meat processing plant - resulting in the loss of almost a thousand jobs in Dunedin.

Bosses on the rampage

So far the measures taken to deal with the prospect of a long, deep recession have been ineffectual—flooding the banks with money, cutting interest rates, freezing mortgage rates for a limited number of mortgages. While American capital's options have become limited, we should not preclude stronger, so far unforeseen, measures to contain the damage. But no matter what policies are finally adopted, we can be sure there will be a ruling-class attempt to make the working class pay for the mess that capital has created. The enormous pay cut recently established in the auto industry, in which new hires will make half what workers made before, should be a warning of how capital will try to solve its crisis.

All of the policies producing this crisis come out of neoliberal free-market measures; deregulation of banking, cheap credit as the way to fight recession, and the "supply side" shift of wealth using tax policies favouring the wealthy as the means to stimulate the economy—all at the expense of working-class living standards

and consumer demand. They are the grand results of the "triumph of the free market," and "there is no alternative"—the neoliberal policies that emerged out of the last deep capitalist crisis, which blamed the welfare state, trade unions, and high wages for the system's woes. These policies, which have had hegemony in both capitalist parties since then, are responsible for the looming disaster today.

Fighting back

As a result, the coming crisis will lead to a questioning of the free market. The response to the coming recession has to challenge these policies, asking how and for whom the really existing "free market" functions. We will have to prepare for a dramatic rise in economic and political instability—and sharper class attacks by the employers. There will have to be organized efforts to defend workers against layoffs, evictions, wage and benefit cuts, deportations of immigrant workers, and the rest of the reactionary program that capital will attempt to use to solve its crisis.

No matter how much economic stress it is under, the capitalist system will not simply collapse. The ruling class can survive any economic crisis, no matter how severe, if workers don't fight back and overthrow capitalism.

It remains our task to build a socialist movement that will lead such a fightback.

Chris Baxter



In the 1990s, Argentina followed all of the structural adjustment policies advocated by international financial institutions, making it a model of neoliberal reform. The result was skyrocketing debt, unemployment and poverty that plunged the country into financial and economic crisis, which exploded in the popular uprising of December 2001. Workers, like those from Zanon Ceramics, resisted by occupying their factories and workplaces, to prevent employers from stripping them and leaving with the country's wealth (From the Centre for Research on Latin America and the Caribbean - <http://www.yorku.ca/erlac/>).

What's behind the boom bust cycle?

For the purpose of explaining economic crises, there are two central features of capitalism – profits arise from the exploitation of labour, and capitalist competition.

So, what is exploitation? The term evokes images of women bent over sewing machines in Vietnamese sweatshops working twenty hours a day under threat of their children being shot. But for Marxists, exploitation is about more than just bosses crossing a moral line in pursuit of profit. Rather it is a scientific term to describe the economic and social relationship that exists between bosses and workers everywhere, from the slums of Jakarta to the gleaming complexes of Silicon Valley.

In his extensive study of capitalism, Karl Marx identified exploitation as the basis of capitalist production.

Workers produce all the wealth but only receive a small proportion of it back in the form of wages. The surplus is kept by the boss, part of which becomes profit. In this way capitalist production involves bosses appropriating, or stealing, the products of workers' labour in order to generate a profit.

So instead of wages being equivalent to the value produced in a working day, or fair compensation for a day's work (as most high school economics textbooks will tell you), wages actually represent the cost of ensuring workers return to work and remain productive. That is, they cover the cost of feeding, clothing, educating and caring for the working class in order that they can return to work and continue generating profits for the capitalist class. The less bosses can get away with paying in wages, and the greater a cut in living standards they can force workers to accept, the wider their profit margins become.

Competition

Alongside this is the second point: Capitalists are constantly in competition with one another.

Competition forces capitalists to constantly reinvest their profits into more efficient means of production. More and more of their investment has to go into technology and machinery and less and less into human labour. Just think of a modern steelworks – multi-million dollar plant and equipment and a few hundred workers at most.

In Marxist literature the machinery, and materials that go into creating the end



product are called the constant capital. The labour-power from the workers is called the variable capital.

Now this constant capital makes labour much more productive than it would be otherwise. A labourer with a wheelbarrow can move a much bigger weight than someone carrying things on their back. But machines and tools don't just magically appear – the wheelbarrow which aids the worker is its self the product of the labour of a metal worker. That's why Marxists often refer to this constant capital as dead labour. So the value of the finished product still depends on the labour that goes into it, although some of it is past (or dead) labour and some of it present.

The important thing here is that machinery can't add to the value of production without being worked on by living labour. A machine its self does nothing. It is the human being operating the machine that causes it to turn out new goods, with an increased value.

Technology

This is why I referred to machinery before as constant capital – because no matter how much of it you have, it's only the human labour that adds value to the product.

That does not mean that all work is of equal value. Intel with their brand new state-of-the-art fabrication plant can make a far more valuable computer than some dude with a rock and a lump of copper.

The first capitalist to get a particular piece of technology can often greatly increase their profits. And this is what prompts innovation. But as soon as one player gets that advantage, everyone else in the market also needs to keep up. So they get the technology as well – or go bankrupt.

This means that over time, the perceived value of the product will fall, and the

increase in profit realised by the new technology will all but disappear. This perceived value is called the socially-necessary value of a product because it reflects the amount of labour that on average across society goes into the product.

A good recent example of this can be seen in the consumer electronic market. Ten years ago digital cameras were the just becoming mainstream. And there was a race to fabricate smaller and smaller photoelectric cells – to produce cameras with more megapixels than the competition.

Falling rate of profit

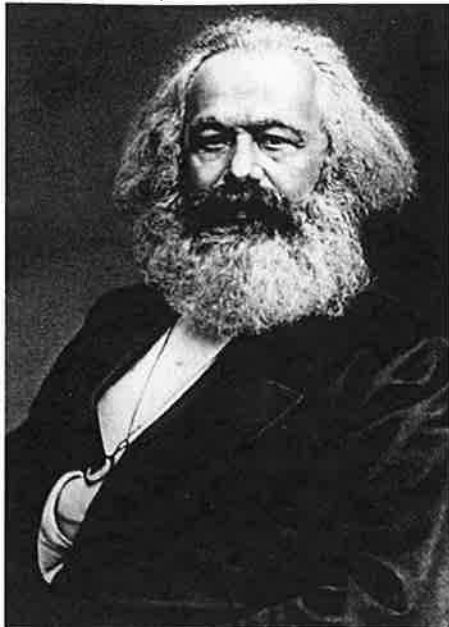
So when everyone was selling one megapixel cameras, the first company to bring in two megapixel cameras could cash in on being the best in the market, and realise the profits from their new technology. But then, of course, pretty soon everyone was selling two megapixel cameras – then three megapixels, and the price fell. Nowadays everyone wants a three or four megapixel camera in their cell phone, and the perceived value has dropped accordingly.

This leads to another phenomenon that Marx referred to as the tendency for the rate of profit to fall.

Even though they can't make the same profits, the camera manufacturers still have to buy the big four megapixel fabrication plants. They still have to spend millions of dollars on that constant capital even though the profit they get for it is the same as when everyone was making the crappy old one megapixel cameras.

Marx observed that this was a general tendency over time – as the market evolves, the amount of constant capital required to compete increases, but the profit is still limited by the amount of surplus labour that can be exploited.

The absolute size of the surplus and of profits can continue growing, but the rate of profit, which is what capitalists are really interested in, depends upon the ratio of profit to the total amount outlaid. So if more and more is invested in machinery in order to stay competitive, but the amount invested in labour grows at a slower rate, then the amount of surplus or profit extracted from



Karl Marx (1818-1883). His works revolutionised our understanding of the economic system we live in: capitalism. While much may have changed since Marx's times, the fundamentals of capitalism have not.

the whole process will be growing at a slower rate than the increase in investment - the rate of profit will have fallen.

And it's this tendency of the rate of profit to fall that brings us back to the idea of Crises.

The boom and bust cycle.

Capitalism has always experienced a periodic pattern of boom and bust - what capitalist economists call the business cycle. Almost every decade since the late 1700s has witnessed such a pattern of rapid growth followed by widespread stagnation or recession.

During boom times, profits are running high and the owners of capital are confident to undertake large-scale investment. Existing factories are expanded, new ones built, more workers are taken on, new mines go down as office blocks and hotels go up.

Every enterprise is run at close to full capacity as the bosses seize the good times with both hands.

In these boom times there becomes a crisis of overproduction, with competition forcing down prices, and markets flooded with goods, the capitalists become less confident that they can make sufficient profits. They hesitate to invest in a new round of production, and scale back their existing operations. Workers are sacked and wages undermined by rising unemployment. Some capitalists go bankrupt.

A slump sets in. Sometimes the "slowdown" becomes a full-blown recession, as unemployment and lack of investment spark a downward spiral - after all, who will buy the capitalists' output under these conditions?

"In these crises", writes Marx, "there breaks out an epidemic that, in all earlier epochs, would have seemed an absurdity - the epidemic of over-production."

Capitalism has produced too much! Not too much to satisfy the world's population - poverty and starvation persist - but too much to be sold for an acceptable profit.

At some point the downturn bottoms out. As output and production costs fall, profit margins begin to recover. The capitalists who have survived the slump now rush to buy up their stricken rivals' assets at bargain-basement prices. Productive investment rises and the cycle begins all over again.

The boom-bust cycle is an inevitable result of the internal contradictions of capitalist social relations. Each individual capitalist is compelled by competition to relentlessly accumulate in a way which, when all taken together, results in mutual economic collapse.

Chris Baxter

Do wage rises push up prices?

Government ministers responded to news of rising inflation figures with a single message - it's time to crack down on wage rises. Prices for food, fuel and other basics may be going through the roof, but that just means workers must "tighten their belts".

British Finance Chancellor, Alistair Darling warmed to this theme last week, declaring, "We cannot get ourselves into a position where we allow inflation to take hold because we get into inflationary pay rises."

He repeated this message on Sunday, telling the BBC, "Pay awards in both the private and public sector have to be consistent with our inflation target, which is 2 percent."

Darling's call was echoed the next day by Andrew Sentance, a member of the Bank of England's monetary policy committee, who warned of the need to ensure that wages "do

not pick up in response to a temporary episode of rising headline inflation".

Underlying all these calls for wage restraint is the theory of the "wage-price spiral". The idea is that workers respond to rising prices by pushing for higher wages, and that companies respond to a higher wage bill by jacking up their prices.

According to this theory, inflation should be tackled by workers accepting lower pay rises and companies holding back on price increases. This discipline is buttressed by high-minded appeals to a "common good".

Spiral

Thus Darling said that getting into an inflationary spiral would be "disastrous, not just for the country but for each and every one of us". Sentance similarly warned that "wage and price increases" would fuel inflation.

But there are problems with this theory and its accompanying ideology of "we're all in it together".

For starters, whatever the rhetoric of "national unity", wage levels are negotiated between workers and bosses, while price increases are not. That means that in practice, most of the burden of "restraint" falls upon wages, not on prices.

Pay restraint does not fall equally either. For the past two years Gordon Brown has insisted on a maximum 2 percent wage rise for public sector workers. But bonuses and salaries paid to City traders are as extravagant as ever.

Ultimately the "wage-price spiral" theory is based on a false equation. It treats the demands of ordinary working people for the basics in life - food, housing, clothing, fuel - as being on a par with the demands of big business for fat profit margins.

It treats profits as sacrosanct and presents the ruling class's insatiable desire for profits as a fact of nature that everyone else must accommodate to.

That is why socialists should reject the argument that wage rises cause inflation, or that wage restraint can hold it back. The decision to raise prices is a conscious, political decision made by the bosses to protect their profits.

Inflation is ultimately built into the system of capitalists chasing profits. And workers should not pay for the chaos caused by their system.

Anindya Bhattacharyya
for Socialist Worker
socialistworker.co.uk

Tibet

After the protests in March, there has been a lot of concern all over the world for the plight of the people of Tibet, which has been under Chinese occupation since the early 50s.

As Tibetans protest and demonstrate on the streets of Lhasa and around the world, people are quite rightly concerned that they don't enjoy the same rights and freedoms that we do in the west. Additionally, Tibet holds something of mystical significance for many westerners who are profoundly disturbed by the dreary mechanical-ness of "modern life".

As usual, the truth is that there's a reasonably solid germ of truth in people's instincts here, but it's somewhat more complicated. Tibet is an extremely oppressed nation, and certainly deserves freedom! But it's no Shangri-La. The question then, is how can Tibet actually be liberated, and what significance does this have for ordinary people in the rest of China, in the West and indeed the rest of the World?

The most recent protests against Chinese rule in Tibet began on the 10th of March, as monks marking the 49th Tibetan Uprising Day were arrested by Chinese police in the Tibetan capital Lhasa. The following day, a Tuesday, more than 600 monks staged a protest outside the Lhasa police headquarters demanding the release of the arrestees of the day before. Sporadic protests occurred throughout the rest of the week, leading to more arrests.

Anger explodes

By the Friday, Lhasa residents had had enough. Angry and embittered by decades of living as second-class citizens in their own land, when the police prevented monks from the Ramoche monastery demonstrating, Tibetan residents rioted. Protestors smashed and burned over 100 shops, banks, hotels, cars and busses owed by ethnic Han Chinese.

The response of the Chinese Government was brutal. The police and the military were mobilised to suppress the riots. Protestors were given a deadline of the following Monday by which to surrender. Large parts of Lhasa were sealed off by the police and heavily armed soldiers patrolled around the Jokhang temple – Tibetan Buddhism's holiest shrine. Armoured vehicles drove the streets and loudspeakers called on residents to "discern between friends and enemies"



Tibetan's hurl stones at Chinese Army vehicles during recent uprisings in occupied Tibet. The Dalai Lama's government claims to have confirmed at least 80 dead at the hands of Chinese troops. The crackdown, however, couldn't stop the protests spreading. On Sunday the 16th there were demonstrations in several neighbouring provinces that historically have been a part of Tibet.

and to "maintain order".

A media blackout was launched to prevent information filtering out and spreading the unrest. Only the state-controlled media was allowed to report on events and no foreign journalists except those from the CNN (which was blacked out anyway) were allowed in. Online information through news websites such as those of The Guardian and The Times as well as the video-sharing site YouTube was blocked. Even cell phones appear to have been blocked and tourists were asked to leave.

Chinese government reports of the unrest can hardly be trusted. Protesters were described as "lumpen" and "hooligan" elements – the same terms that were used to describe Tiananmen Square demonstrators in 1989. Meanwhile, the Xinhua news agency claimed that "Throughout the incident, Lhasa police officers exercised great restraint. The remained patient, professional and were instructed not to use force". This is a load of bollocks. The Dalai Lama's government claims to have confirmed at least 80 dead at the hands of Chinese troops.

The crackdown, however, couldn't stop the protests spreading. On Sunday the 16th there were demonstrations in several neighbouring provinces that historically have been a part of Tibet. In Gansu, 500 Tibetan students staged a sit-in in the Northwest Minorities University. A curfew was imposed at another location in Gansu after police suppressed a demonstration numbering over 1,000. In Sichuan province, demonstrators threw petrol bombs, burning down a police station, a market and several

houses. Even as far afield as Beijing, students at the Central Nationalities University held a candle-lit vigil under the watchful eyes of the political police.

Moderation and restraint

The Dalai Lama, leader of the Tibetan government in exile has called mainly for moderation and restraint. In an appeal to end the violence he said that "We must not develop anti-Chinese feelings. Whether we like it or not we have to live side-by-side," and asked journalists at a press conference to "Please help stop violence from the Chinese side and also from the Tibetan side". In an attempt to maintain control of the situation, he even threatened to resign as head of the government-in-exile if protestors continued to be violent.

The Dalai Lama's position revolves around guaranteeing greater autonomy for Tibet rather than actual independence, and so his demands focus simply on the issue of preserving Tibetan culture. To be sure, Tibetan culture is severely repressed by the Chinese occupation. But the issue goes far deeper than the need for "cultural freedom" that the Dalai Lama claims. For all their claims of benevolence, the Chinese occupiers have never brought anything but continued poverty and deprivation for the vast majority of the Tibetan people, and this is what underlies the protests in Lhasa. Coming from a privileged elite, the Dalai Lama is as terrified of their rebellion as the Chinese.

Before the Chinese army invaded in 1953, Tibet was a monarchy - a dictatorship - presided over by the Dalai Lamas. The majority of Tibetans worked and lived in



TIBET

desperate poverty on the estates of large landowners.

When the PLA arrived, at first they collaborated with the Dalai Lama and the landowners. But as the army asserted ever greater control, Chinese imperialism was thrown onto a trajectory of conflict with the local rulers, culminating in an uprising in March 1959. When this was crushed 50,000 Tibetans were forced to flee to India, including the Dalai Lama and many of his wealthy entourage.

Chinese colonialism

However, far from "liberating" Tibet as Maoists claim, the colonial regime only bought further poverty and repression. A famine broke out in the early 60s as the government banned traditional crops in favour of cereals that didn't grow at Tibetan altitudes. During the Cultural Revolution, attacks were encouraged in Tibetan cultural and religious institutions – Tibetans were even attacked in the street for wearing traditional clothing.

More recently, the economic growth of China has passed most Tibetans by. In China's poorest region, 1/3rd of Tibetans live below the poverty line. There is little infrastructure – even rail travel between Tibet and China only became a reality in 2006. The logic of divide and rule means that market reforms have ripped apart the social structure of the country, while providing little in the way of benefits. One in ten Tibetan farmers have been forcibly resettled in the cities, where they have found only social dislocation and unemployment, all the new jobs created by growth going the Han Chinese or other minorities.

Tibetan poor told the story recently to interviewers from Human Rights Watch "The Chinese are not letting us carry on our occupation and forcing us to live in Chinese-built towns, which will leave us without livestock and we won't be able to do any other work, so we will surely be beggars" and that "No new houses have been built, they have just put new doors and windows in the old prison buildings. The government make a lot of publicity about bringing electric and water facilities, but those who moved there say there is no such facility. The government talks about providing a food subsidy eventually, but so far they got nothing..."

This then is why we need a free Tibet. The problem with the Dalai Lama's approach is that his aim is simply to negotiate a deal for the benefit of the old Tibetan ruling class. This is why he calls for "restraint", and restricts himself to talk of "autonomy" and "cultural freedom" rather than independence and political freedoms.

Chinese working class

However, if the Dalai Lama's approach won't win real liberation, then where does that leave the struggle for a free Tibet? The



The Chinese media attempted to cover up the uprising, preventing foreign journalists from entering, while Tibetan prisoners were paraded on state television as 'hooligan' elements – the same term used to describe the protestors at Tiananmen Square in 1989.

answer is that we must look to the struggles of Tibetan workers and peasants themselves, and also to those of the working class in China and internationally. They are the ones that have the real interest in shaking off the chains of poverty, war and oppression once and for all. And they are becoming increasingly rebellious.

The current protests in Tibet are taking place in the middle of a rising movement of strikes, riots and demonstrations against poor conditions and living standards that have involved millions of Chinese workers and peasants in the past few years. The political atmosphere resembles 1989, when rising prices and the negative impacts of market reform fuelled a wave of protests, which also began in Tibet with the death of a religious leader. Then, events in Lhasa anticipated nationwide protests later in the year, culminating in the bloody crackdown in Tiananmen Square on June 4.

Discontent in recent years is focusing on many of the same issues. Inflation is higher than it has been for 12 years and is rising fast. In January the Chinese regime narrowly averted a political crisis when snowstorms paralysed the transport system, leaving millions stranded – and angry. In this case, the fragility of China's infrastructure came within a hair's breadth of igniting long-simmering social tensions.

In another instance, unemployment has been a driver for social unrest. This is particularly true amongst hundreds of thousands of ex-soldiers who, after being demobilised as the Chinese army modernises, are left in the cities with few decent job opportunities. Anger at poor conditions, low pay and high living expenses has led to numerous riots and clashes with police.

Workers in struggle are a powerful social force that is capable of bringing capitalist

and authoritarian regimes to their knees, turning the world upside down (or perhaps the right way up?) and overthrowing them. Only in a world organised and run by ordinary people and not elites, will oppression and poverty be ended forever. This is the real meaning of freedom. If the movement in Tibet is to win real, lasting freedom then it must link up with the struggles of Chinese workers. Freedom cannot be granted to some people only – it must be won for all.

Cory Anderson

April 2008

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Workers' Revolutions of the 20th Century \$5

Of all the arguments that socialists make, the insistence on the need for revolution is perhaps the most controversial. Not, in many cases, because the idea of revolution seems bad, but mostly because it seems so unrealistic. And yet a brief look at the recent history of capitalism shows not only that revolutions happen, but that they keep happening again and again, sometimes despite seemingly overwhelming odds. This pamphlet documents just some of the working class revolutions of the last century: Russia in 1905 and 1917, Germany 1918-23, Hungary 1956, Chile 1972-73, Iran 1979 and Poland 1980-81. The accounts testify to the courage and creativity of working people when they organise and fight back. But while this history shows that revolutionary outbreaks are inevitable, they also show that victory for the oppressed masses is far from certain. So in looking at this history, the authors have tried to draw lessons for the future.

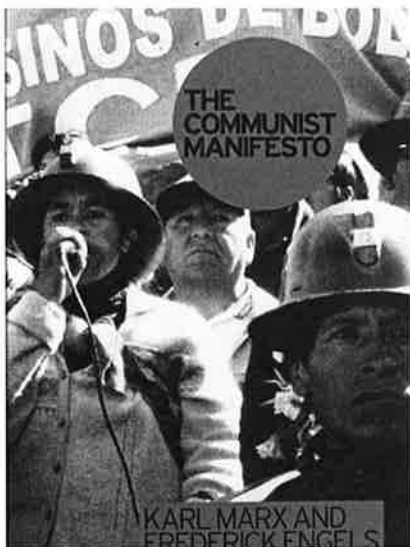
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Socialist Review is a magazine produced by the International Socialist Organisation Aotearoa. It aims to provide quality political analysis that represents the interests of the working class majority in New Zealand. But unlike "alternative" media sources, we don't aim simply to provide an "antidote" to the corporate lies, imperialist wars, oppression and inequality that dominate the global landscape; we aim to put them into historical and economic context, to draw links between the various issues and the global capitalist system, and analyse what they mean for ordinary working people and the working class movement, both at home and abroad. To do this we try and maintain a healthy balance of domestic and international issues.

We also practice what we preach, and support the working class movement whenever we can, with the long-term aim of building an organisation that can provide the working class with political leadership in times of upheaval.

If you're interested in our politics and want to know how you can get involved, please email: contact@iso.org.nz or visit our website: www.iso.org.nz

The aftermath of apartheid



To speak of South Africa is to address racism in the most concrete form it has taken since Nazi Germany. It is a history of victorious struggle too, thanks to decades of selfless organising by tens of thousands of militants and the courage of the South African people – supported by untold numbers in the rest of the world, including NZ – the forces of racism have been defeated.

The laws and myths that demeaned non-white South Africans have been erased but the state – with its judges, prisons, police and army – remains, as does the enormous gap in wealth between black and white.

In this sense, the history of South Africa is perhaps most relevant. The fall of apartheid can seem very last century, but the way that the struggle was sold out and betrayed by Nelson Mandela, the ANC and the SACP – that has to be a primary concern for anyone who wants to work for a better world.

Pretty much everyone in NZ will know a South African, typically white and professional, who has emigrated here since the fall of apartheid. These South Africans

usually cite high levels of crime, especially car-jackings, as the primary reason for their departure. Unemployment and declining incomes is another reason sometimes offered.

Crime rates in South Africa are shocking. A survey for the period 1998-2000 compiled by the United Nations Office on Drugs and Crime ranked South Africa second for assault and murder (by all means) per capita and first for rapes per capita. Certainly, imprisonment rates are climbing steadily, with South Africa second only to the United States in terms of per capita imprisonment. In the US, remember, one in nine black males between 20 and 30 are behind bars.

Without doubt, underlying the crime rate

is high unemployment – up to 40 % according to broad measures and with 25-30% actively seeking work. And while legal segregation has been scrapped, economic segregation is worsening.

“South Africa's wealth gap is widening and the average black citizen still only earns an eighth of what his white counterpart does nearly 14 years on from the end of apartheid,” SA's Fin24 website reported in January.

The Institute for Justice and Reconciliation “transformation” audit found that the per capita income of black South Africans was 13 per cent of that of whites, 14 years after the end of the white minority apartheid government. And women were feeling the pinch more and more, with the income of female-headed households measured at 46.2% that of male-headed households – down from 47.9% in 2006.”

Some blacks have however increased their wealth – such as Cyril Ramaphosa, once a firebrand union leader who became Minister of Defence in the Mandela government (responsible for protecting the apartheid military from budget cuts) and is now a billionaire. A scheme called BEE aims to create Black Economic Empowerment. In Soweto they add another E – Black economic empowerment for the elite.

The departure of Mandela from the political stage was probably the wisest thing he ever did – leaving his successors like Mbeki and Zuma to wallow in the corruption and compromises that are the logical results of Mandela's policies.

The racist state

But the shocking state of South Africa at present is in no way an argument for the return of apartheid, as some right wingers insinuate. It is true that the black liberation governments in Africa have nowhere managed to change the poverty, hunger and illiteracy that has characterised the continent since European colonialism but all this shows is that these governments have been forced to continue Africa's subordination in the world economy. Apartheid was no golden age, nor was direct British imperialism.

While the prison rate stands at about 341 per 100,000 in 2007, under apartheid (in 1981-2) it stood at 585, and the rate for blacks was 1066 per 100,000. But that is just the beginning.

Apartheid ideologists aimed to eliminate black South Africans by creating Bantustans – supposedly independent homelands ruled by puppet governments where all Africans would theoretically reside, although they would still work in white South Africa's factories, farms and homes.

As UK journalist Bernard Levin wrote in the 1970s

"Every action in the field of race relations taken by the South African government for at least 20 years has been designed to increase the domination of the vast majority of the population by the white minority. The majority have been progressively stripped, by the white minority, of every fundamental right, every dignity, every vestige of decent treatment. They may not live where they choose; they may not strike; they may not criticise their conditions; they may not marry whom they please; they may not mingle with people of other races; they may not engage in any political activity... they may not travel where they wish; they may have their employment cancelled without notice or reason, by officials; they may be arbitrarily declared to be of whatever race officials decide they are; they have no unqualified right to have their children living with them; the men have no right to have their wives living with them; and in short – I could go on for ten times as long with similar examples – their subjection to the white minority, which lives in comfort on their labour, is complete and is to remain so as long as the minority has the power to enforce it. (Newnam, Apartheid is not a game, p. 14).

Racism and the British empire

This description is accurate enough as regards the legal situation, but Levin is wrong to suggest that apartheid was a recent phenomenon. Many of the worst features of apartheid – restrictions on voting rights and intermarriage and control of migrant labour through pass laws were features of South Africa under British imperialism. Indeed, many features of apartheid law were borrowed wholesale from Queensland, Australia. What most distinguished British and French imperialist ideology from the ancient empires of Greece, Rome, China, etc was precisely its racist theory and law.

Nonetheless, South Africa was a settler colony like Australia, NZ and Canada, so why did it evolve an explicitly racist legal system, while these other countries did not?

The usual explanation is that the descendants of the Dutch settlers, the Afrikaners, were racist, while the British were parliamentary liberals. This myth is behind Levin's comment above and was common in South Africa as well as the other white settler countries.

The reality is that first, the differences are not as great as our governments would like us to believe – let's be frank – in all these countries unofficial apartheid still exists to a greater or lesser degree and in many cases is

worsening.

Second, what differences there are can be explained by the differences in the countries that were colonised. As a simple example, take the differing cases of Australia, New Zealand, and Fiji. All were part of the British Empire, but in one, the mechanism was straight annexation and attempted genocide, in the second, a treaty followed by wars and crooked deals that succeeded in alienating the majority of Maori land and, in the third, a treaty with no attempt at land alienation – the native chiefs were instead confirmed in control and made partners in administration.

The primary difference is population density and militarization. The second is the relative value of these three lands to the British empire.

Another way of comparing the countries is to look at SA alongside Australia and Canada. All three were immense, and rich in minerals and agricultural potential. However, in Australia and Canada, it was possible to crush native resistance at the earliest stage of colonisation and replace the population with white settlers. In SA, the analogy with Australia is almost perfect as regards the Hottentot or Khoikhoi people, hunter gatherers of the Cape, who were easily dispersed and their lands usurped by the early colonists. Further to the north

From firebrand to billionaire

Cyril Ramaphosa was one of the most prominent leaders of the struggle against apartheid in the 1980s.

As leader of the COSATU union federation, Ramaphosa was active in the mass strikes that brought the regime to its knees. Since then, however, Ramaphosa – who has claimed to be a committed socialist – cashed in his political cred for cash – amassing millions in the private sector.

While at university, Ramaphosa became involved in student politics and was detained in solitary confinement for eleven months in 1974 under the Terrorism act and again in 1976. After his release, he continued his studies. After graduating, Ramaphosa then joined the Council of Unions of South Africa (CUSA) as a legal advisor. In 1982, CUSA requested that Ramaphosa start a union for mineworkers – the National Union of Mineworkers (NUM). Ramaphosa was elected as the first General Secretary of NUM, a position he held until he resigned in June 1991, following his election as Secretary General of the African National Congress (ANC). Under his leadership, union membership grew from 6,000 in 1982 to 300,000 in 1992. As General Secretary, he also led the

mineworkers in one of the biggest strikes ever in South African history.

In 1985, the NUM broke away from CUSA and helped to establish the Congress of South African Trade Unions (COSATU). When COSATU joined forces with the United Democratic Front (UDF) against the National Party regime, Ramaphosa took a leading role.

Subsequent to his election as Secretary General of the African National Congress in 1991, he became head of the negotiation team of the ANC in negotiating the end of apartheid with the National Party government. Following the first fully democratic elections in 1994, Ramaphosa became a member of parliament and played a central role in the government of national unity.

After he lost the race to become President of South Africa to Thabo Mbeki, he resigned from his political positions in January 1997 and moved to the private sector, where he became a director of New Africa Investments Limited.

Under "black empowerment" (for the elite), Ramaphosa has amassed great wealth.

Ramaphosa has interests in mining, the financial sector, advertising, information technology, property, telecoms and retail.

He is chairperson of Mondia, the Bidvest Group, MTN Group and SASRIA Limited,



director of Macsteel Holdings, Alexander Forbes, Standard Bank and SABMiller and a member of the Coca-Cola Company International Advisory Board and the Unilever Africa Advisory Council. He was also deputy chairman of the Commonwealth Business Council.

The Sunday Times Rich List puts his personal fortune at R490 million, but an analysis of his listed fortunes (about seven of his 21 investments) shows that he may be worth more than double this. (wikipedia and Mail and Guardian)



A bombed out building in Angola . . . the South African regime fought a bitter rearguard action against popular anti-imperialist movements throughout Africa.

though, the African or Bantu population was larger, more technologically advanced, and militarily much stronger.

Dutch and British colonisation continued – the wealth and strategic importance of South Africa assured that – but the machinery of repression required to maintain colonisation, farming, mining and capitalist industry was much greater and a racist ideology went with that.

That racist ideology crystallised during the 1930s depression. Just as the bitterness of the German ruling class at their defeat in WW1 led them to back Hitler's Nazi party, the Afrikaaner elite had been defeated by the British in the Boer War of 1890 odd. And unemployment and poverty in both countries provided the mass embitterment that led to the formation of anti-Semitic, racist political parties. The subterranean connection between these fascist organisations and the apartheid state cannot be overemphasised. The political elite of South Africa was steeped in a racist world view.

The Cold War

But Nazi Germany, thank God, did not win the Second World War, even though the Afrikaaner National Party won the 1948 election. They had to adjust to a new reality – US dominance of the world and a rising tide of anti-colonial movements. In South Africa, this movement was led by the ANC, which called a conference in Kliptown in 1955 that signed a "Freedom Charter". In itself, the document was liberal, not radical, but the SA government seized on a clause that called for the wealth of the country to be returned to the people to label the ANC as pro-Soviet. Apartheid had found a new reason for existing in the Cold War environment – Western imperialism's attack dog in Africa.

Although the US encouraged decolonisation, because it meant the break-up of European monopolies in the Third World, it was out of step with the actual decolonisation movements, which everywhere demanded more than capitalism wished to deliver. The US aim was a transfer of power from one section of western imperialism to another, not to the populations of those countries.

Nor was it the aim of the US to allow colonisation to be replaced by Soviet influence. For much of the Cold War era – right up to the Afghan war – the USSR was seen as a benevolent power by many liberation movements. It was weaker than the US, and therefore less able to buy off local elites and more likely to encourage popular measures like health and education, and was not associated with old-style Western colonialism.

Nonetheless, the Soviet Union was an imperialist power – a state capitalist regime

bent not on liberating the third world but on competing with the USA for world dominance.

This Cold War environment saturated politics. There was not a single NGO or charity or trade union or political party or armed movement that was not aligned with East or West during the Cold War. The dualism of international politics in this period is essential to grasp.

South Africa, like Israel, was a perfect ally for the US in the Cold War because it was so isolated from its neighbours, from its region, indeed from much of the world. South Africa, like Israel today, was a pariah state that would do anything to maintain its lifeline to the US. Like Israel, its primary task was to destabilise, not develop, the region around it. The apartheid regime fought wars in almost all their neighbours and its secret service conspired constantly against independent African governments.

As Victoria Brittain wrote in 1988: "In the former Portuguese colonies of Angola and Mozambique, and to a lesser extent in Zimbabwe, Zambia, Lesotho, Botswana and Tanzania, the hopes of independence twenty years ago have been shattered. South Africa has spread war and destruction where peace and stability would have provided an opportunity to build new nations....A very conservative estimate of the cost of South Africa's actions in five years of the early 1980s alone was worth over \$1 billion." (Brittain p.2)

Of all African countries, SA was the only one where a pro-capitalist, pro-US state could survive. Even though the government rested on only about 10% of the population, that was still 2.7 million people. SA was militarily and economically strong, but not strong enough to stop resistance.

Victory

The heroism of the resistance cannot be over stressed. Apartheid South Africa was probably the most complete police state since Nazi Germany. When one remembers that black Africans were legally aliens in



On 18 August 1977, anti-apartheid activist Steve Biko was arrested at a police roadblock under the Terrorism Act.

He suffered a major head injury while in police custody. On 11 September 1977 police loaded him in the back of a Land Rover, naked, and began the 1,500 km drive to Pretoria to take him to a prison hospital. He died shortly after arrival. The police claimed his death was the result of an extended hunger strike. He was found to have massive injuries to the head - strong evidence that he had been brutally clubbed by his captors. (wikipedia)



From the bullet to the ballot . . . never mind the worker's revolution . . . the 'two stages' theory promoted by the SA "revolutionary" leadership supposed that instead of apartheid being overthrown from within by the workers, it was supposed to be overthrown by a heroic band of military adventurers – Umkhonto We Sizwe (left). This elitist theory flowed easily into representative liberal democracy, with all the inequality that goes with that.

their own country, the terrifying power of the police becomes clear. Armoured cars loaded to the hilt with white conscript soldiers were a regular sight on the streets and TV news trumpeted razor wire and riot squads. Detention without trial was common and death in detention all too common. But despite the massive repressive machine being directed against resistance, it never ceased and ultimately, the combined efforts of hundreds of thousands, if not millions around the world bore fruit and history was changed.

Despite this, it has to be said that the resistance was badly led. The decisive force in South Africa was the working class, and it was COSATU (the Congress of South African Trade Unions) more than any other organisation that can take the credit for bringing down apartheid, even though the theory of the SA "revolutionary" leadership was completely different.

Instead of apartheid being overthrown from within by the people that made the wheels of industry turn, it was supposed to be overthrown by a heroic band of military adventurers – Umkhonto We Sizwe (the Spear of the Nation). Following Mao Tse Tung and Che Guevara, who had both turned Marxism – the theory of working class revolution – inside out, the ANC argued the revolution could only be brought to the cities from the countryside – and by extension only be brought to the First World from the Third.

But the experience of Angola and Mozambique in the '70s proved the opposite, if anyone was watching. A revolution in Portugal in 1974 against the fascist, colonialist regime was the immediate cause of the liberation of Angola, Mozambique, and in our neighbourhood, East Timor in 1975. The lesson is clear –

when the oppressed strike at the heart of the system, its grip on the outlying regions is broken.

South Africa was not dependent on a European power though. It was an industrial power in its own right. What's more, the post-war boom, especially in the 1960s, had greatly expanded the black working class in the cities and mines. By the 1980s this working class was organised and ready to fight. In the early 1980s, the unions grew by leaps and bounds.

They were seldom registered and even when they were, they took a very hostile line towards the state and arbitration. Unions also organised neighbourhood committees in the townships, which brought workers from different sites together and generalised experiences and strategies. An economic downturn in the 1980s, combined with political opposition to apartheid brought the unions and the state into a collision course.

The end of apartheid

Some of the more far-sighted South African capitalists saw at this stage that apartheid could not be maintained and started to investigate alternatives. The Reagan administration in the USA, particularly the under-secretary for Africa Chester Crocker, encouraged "constructive engagement" throughout the 1980s. Although this strategy was denounced by anti-apartheid activists as one more name for collaboration with a vicious regime, constructive engagement was much more than that – it was a realistic plan to keep the reality of apartheid while removing its racist appearance.

The irony is that anti-apartheid activists, if they thought there was any danger in transition in SA, thought it would come from communist tyranny not liberal sell-



outs. Most actually believed the Cold War propaganda that labelled the ANC as terrorists and communists.

The truth is, as Trotsky said, a terrorist is just a liberal with a bomb. Mandela and his cohorts were more than willing to compromise with capitalism – in many cases they were so enthusiastic they became capitalists themselves. In this they were supported by their allies in the SACP, who followed Stalin's two-stage theory of revolution, according to which the working class should support the national bourgeoisie in the struggle for a capitalist democracy, before launching a struggle for socialism.

Under Stalin, that time had nothing to do with the readiness of the local working class and everything to do with Stalin's own need to remain in power. Since the demise of the USSR, the SACP is stuck following the ANC. Against two-stage theory, is the idea of socialism from below. Things need not have turned out as they have in South Africa. Although the overthrow of apartheid was a world-historic victory, it really could have happened much earlier, if the political leadership of the resistance had focused on the working class earlier. And if that were the case the sell outs and social inequality of the 1990s and today might never have taken place.

Despite the disappointment of the ANC government, the struggle for a better society continues in South Africa led by trade union militants and community activists. The overthrow of the apartheid regime was one of the greatest victories of progressive forces in our lifetimes and continues to inspire resistance in Africa and throughout the world.

Mike Tait
3 April 2008

Global warming and war

Global warming and the terror of war are perhaps the two greatest issues that confront the world today. When the workings of these disasters are examined, there are a number of chilling parallels. Both are incredibly destructive.

Both operate on a worldwide scale, but the results are felt locally. Both tend to result in the further impoverishment of the poor in the East and the West, while the rich profit. These similarities are no accident – both are the result of the systematic looting and plundering of the Earth's natural and human resources by corporations.

Britain's empire in India provides a classic example. It started in 1611 as a series of trading posts located at strategic points along the coast. However, the lure of plunder pushed the British inland, and the British East India Company came into conflict with the rulers of Bengal. After defeating the Bengali forces at the Battle of Plassey in 1757, the company continued to rapidly expand its control over the subcontinent. While plunder provided the immediate incentive, markets for British goods made empire profitable. Cheap cotton goods manufactured in Britain were introduced to India in 1814 and Indian textile production collapsed.

Rather than producing for local consumption, Indian landowners began to produce cash crops for Europe. In India this was achieved through a 'putting-out' system where crops were bought by intermediaries, then sold them to the final buyer.

The conquest of India laid the ground for further expansion. European business desired tea and other goods produced in China. Lacking anything to trade, they began producing a product that created its own demand – opium. Opium poppies were grown in northern India and an addictive trade imposed on the Chinese through yet more wars. India and China were integrated into the growing world economy – as dependencies of Britain and the West; and the sapping of their soils began.

Fossil fuels

As profit-based production continued to expand and swallow up ever-larger markets, it began to intensify. This intensification,

based in the factories of the industrialized West, required ever richer sources of energy. This began in the late 18th century with the invention of the steam engine and the employment of the first fossil fuel: coal. As production grew, smokestacks belched out more and more waste product – smog, soot, carbon dioxide and toxic gasses – into the atmosphere. In the late 19th century, an even more powerful – and more deadly – fuel was put to use: oil.

These processes are continuing today, as is their root cause – the profit motive. Thousands of acres of virgin forest are ripped down every day, the trees transported to factories half a world away for processing. Capitalism's addiction to fossil fuels continues unabated, with oil and petrochemicals providing not just energy but products as diverse as agricultural fertilizers, pesticides, nylon and toothbrushes. Wetlands – a major carbon sink – are drained and transformed, along with forests, into monocultures. Here a single cash-crop absorbs the nutrients of the soil, and this natural wealth, and much of the profit, is exported away, permanently. Even intended solutions, like biofuels, are turned on their head as vast swaths of rainforest are slashed and burnt to establish 'eco-friendly' palm oil plantations.

The result is never-before seen destruction, the extinction of thousands of species, rising temperatures and sea levels, and the complete transformation of the planet. As capitalism develops, it not only undermines the planet's ability to cope, but at the same time spews out an ever increasing volume of pollutants. Global warming is nothing less than its ultimate expression.

Expansion and war

But it is not only the natural environment that is plundered in the name of profit, but human societies as well. The need of corporations for continual expansion leads them to aggressively seek out new markets. This propels them into competition and conflict with corporations from other nations. As each draws the resources and support of its state in behind it, nations become locked in a deadly battle for the division and re-division of the entire world. This competition for markets has been at the root of almost every war in the previous 150 years, including both world wars and the cold war.

The wars in Iraq and Afghanistan are not simply about control of resources. They have more to do with the strategic domination of world markets. The US does not source most of its oil from the Middle East – its competitors in the European

Union, Russia and China use this oil. But if it can control Middle Eastern oil, it can control the supply of energy – and the industrial development – of its rivals. It's also a way to flex some military muscle and scare off competitors for the position of number 1 superpower.

The result for ordinary people of the nations involved, especially in occupied nations, is devastating. As wars become increasingly brutal and plunderous, the entire social fabric of societies is ripped apart. In Iraq, 1.2 million people have been killed as a result of the war since 2003. The occupation has nothing to offer local people. Only 28 percent of Iraqi 17-year-olds sat their final school exams in 2007, and nearly a million children were unable to attend primary school. The destruction and breakdown of infrastructure is so complete that many areas are without running water and huge open-air sewage ponds are forming in southern Baghdad. Unemployment and underemployment are as high as 70 percent in some areas. And all the while the US stokes sectarian tensions and civil war by equipping and arming rival religious and ethnic militias. This is the nightmare reality of 'freedom and democracy' in Iraq.

Destruction of Afghanistan

The situation in Afghanistan is even worse. Tensions between the great powers have resulted in virtually continuous war since the 1970s, and conditions under the US-led occupation have deteriorated – in some cases to be even worse than under the Taliban. Average life expectancy has fallen from 45.5 years in 2001 to 43.5 years in 2005, and adult literacy from 31 percent to 28.7 percent over the same period. Hunger is rife. 6.6 million Afghans – nearly a third of the population – are not able to get enough food and a full 7 percent of children under 5 die of hunger. The situation of women – one of the justifications for the war – is again worse even than under the Taliban. Women's literacy is estimated at 12.6 percent, down from 15 percent in 2001. Child marriages and forced marriages are widespread. The puppet government has little authority outside of the capital Kabul. The occupation relies on a network of warlords and strongmen to prop it up.

Designed to advance the interests of the US elite and their Western allies, they were never intended to benefit the local people, or bring real freedom or substantial democracy. Indeed, workers in the whole of the third world are appallingly poor for similar reasons: investment driven by profit and not human needs has led to corporate looting of the global south, rather than its

development. The third world is poor not because it is super-exploited, but because it is under-exploited, and under-developed.

"Peace-keeping" in East Timor

This can be extended to so-called 'peace-keeping' operations that our own politicians are so fond of. The operation in East Timor is a prime example.

East Timor is a tiny island country in South-East Asia. It was invaded by Indonesia almost immediately after it had won its independence from Portugal. For years the governments of the West – including Australia and New Zealand – ignored the plight of the East Timorese, as more than 200,000 were massacred or died of hunger. Instead the murderous regime of the Indonesian dictator Suharto was praised as a bulwark of 'stability'. This was very convenient for Australian business elites, who negotiated an agreement with the Suharto regime to receive the rights to a lion's share of the oil and gas deposits in the sea between Australia and Timor.

Nothing much has changed in East Timor since the arrival of Australian and New Zealand troops in 1999. The oil wealth of Timor continues to be plundered by Australian businesses through two new agreements. Indeed, when East Timor's Prime Minister Mari Alkatiri tried to negotiate a better deal with the Portuguese in 2006, the Australian-led military presence there engaged in a series of manoeuvres that ensured he was ousted and replaced with the more reliable Xanana Gusmao. The mass killings may have stopped, but East Timor continues to slip further into poverty and chaos. Average income has fallen since 2001 to around \$1 a day, and joblessness is estimated to be around 50 percent. 'Humanitarian intervention' and 'peacekeeping' has nothing to do with encouraging development, it's a smokescreen; the latest lie to justify the self-serving actions of business elites.

Environment and human rights

A realistic solution to global warming, the plundering of the environment, and the destruction of the world's societies, has to address the problem at its root. Society must be totally reorganised from the bottom up, so that the aim of economic activity is not the profit of the rich, but the fulfilment of the needs and aspirations of all humanity, and the needs of the earth.

The destruction of the environment must be stopped immediately. Ecosystems such as forests, wetlands, grasslands and oceans must be preserved, and humanity must eventually be re-integrated with its environment. The unsustainable use of fossil fuels should cease, and investment must be directed into developing sustainable sources of energy, such as wind, solar, and tidal power generation. A comprehensive system of public transportation should be



Opium cultivation in Afghanistan . . . production has increased significantly since the downfall of the Taliban in 2001. Afghanistan's current status as a major exporter of opium has its origin in the in the cash-crop monocultures that replaced local agriculture in Northern India while the region was occupied by the British Empire.

Imperialist domination ensured that production was driven by international markets, rather than sustainability or the needs of local people.

developed to minimise vehicle emissions. The use of petrochemicals in agriculture must be eliminated through the employment of locally developed fertilizers and the utilization of ecological processes.

The troops must be withdrawn immediately from Iraq, Afghanistan, East Timor, the Solomons, and all other foreign 'interventions'. It is not the duty of Western nations to 'clean up their mess' to 'fight terrorism' or 'build schools' or whatever. Armies were never constituted for such benign purposes, and talk by government officials and the media only ever serve as a smokescreen for their real interests. They are perfectly happy to abuse the most noble, humane sentiments of ordinary people as an excuse for yet more plundering and destruction.

Looking for real solutions

Needless to say, none of these aims are going to be genuinely carried out by our current rulers – the fat cat business bosses and the politicians so anxious to please them. Nor are they going to be carried out by 'good' politicians from parties like Labour, the Greens, or the Alliance; who look to parliament to bring about change. Ultimately they look to run a capitalist economy, and so they too will end up being beholden to profit. Real solutions will only be implemented when ordinary, working people take action on the streets. The masses must take power into their own hands and implement the solutions

themselves.

This will require a mass, worldwide movement of millions of people. It will also require a new political party – one of the working masses, capable of giving that movement leadership and direction. This is what socialism is all about. Obviously, we are a long way from that movement. We are a tiny group, and it's been many years since there was last sustained, mass demonstrations on New Zealand's streets. But we have to start somewhere, and if you want to see a world where human needs are put before profit, where global warming is sanely responded to and where the horror of war is only a distant memory, I urge you to get involved.

Cory Anderson
March 2008

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From the Cold War to the War on Terror



Andrea: "Unhappy is the land that breeds no hero."
Galileo: "No, Andrea: unhappy is the land that needs a hero."

Life of Galileo by Bertolt Brecht

Iron Man is the latest superhero to get his own film as Hollywood continues to loot the pages of comics in a desperate search for a blockbuster.

In box office terms a blockbuster is what they've produced, as it's one of only ten films

ever to have taken more than \$100 million in the first three days of its release.

Fans of the comic series will be pleased to discover that the makers have been faithful to the character and to a mythology which stretches back over 40 years. But that's actually a problem.

Marxist criticism has often been attacked for interpreting cultural products in a crudely ideological and economic fashion. The 19th century Italian Marxist Antonio Labriola contemptuously dismissed those critics who could read Dante's *Inferno* as an expression of the economic activity of "wily Florentine cloth merchants" in the Middle Ages. However, an equal danger would be to ignore the ideological content clearly present in popular culture.

Iron Man was one of the stable of superheroes created by writer Stan Lee and artist Jack Kirby for Marvel Comics in the early 1960s. All the Marvel heroes created then - the Fantastic Four, the Hulk, Spider-Man and the X-Men - were Cold War warriors.

So no early Marvel comic was without evil commissars challenging the all-American Marvel heroes, and Iron Man was one of the most ideological strips Marvel ever published. Caricatures of Nikita Khrushchev, Fidel Castro and Mao Zedong would appear in the pages of his comic to direct their agents against Iron Man. His main enemy was the Mandarin, a Chinese character drawn in a disgracefully racist style.

The first Iron Man strip was published in

Tales of Suspense in March 1963 and described how weapons manufacturer Tony Stark falls into the hands of the Vietnamese Communists while he's over there testing his weapons. He's injured fatally but escapes by making a chest plate, which keeps him alive and is the central unit of his superhero identity as Iron Man.

The film updates this original story from Vietnam to Afghanistan with little trouble - such is the nature of US imperialism. The catalyst for his transformation is that he falls victim to his own weapons - now in the hands of nasty foreigners in an Al Qaida like organisation.

This plot device has led some reviewers to argue that the film is against the military-industrial complex and charts Stark's redemption for his past crimes. But not really. The film is not against arms manufacturers. It's against "bad" arms manufacturers. The film isn't against military intervention in other people's countries. It's for "humanitarian" military intervention in other people's countries. Iron Man may save a handful of helpless "good" Arabs, but in the process he gets to beat up lots of "nasty" Arabs. And he does it with clean, smart, targeted weapons. This is a film with Jeremy Clarkson's appetite for flash cars and shiny military toys. It's also got his social conscience.

"Nuff said," as they said in Marvel comics.

by Sasha Simic

The three trillion dollar war

Joseph E. Stiglitz & Linda J. Bilmes, *The Three Trillion Dollar War. The True Cost of the Iraq Conflict*, Allen Lane

Stiglitz and Bilmes have trawled through information released under the Freedom of Information Act to assemble an astonishing array of facts and figures on the economic and human costs of the Iraq war. They explain in detail how the war in Iraq will cost, at a conservative estimate, three trillion dollars.

The value of this book is its simple, accessible breakdown of the costs of the Iraq war. The facts presented also help us to demolish any argument that the US government "can't afford" universal health care, or to remedy endemic poverty on its own streets.

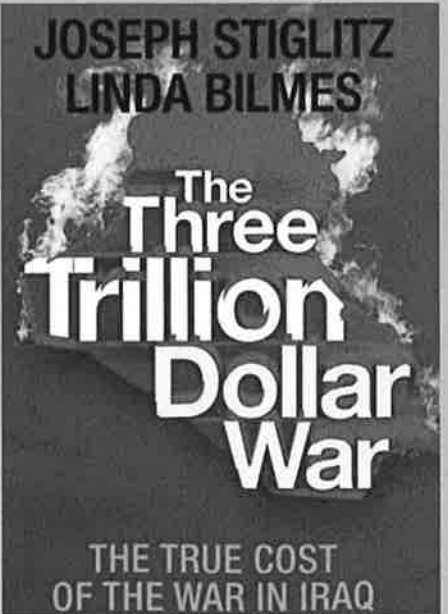
The international anti-war movement needs all these facts, and the authors have done a fine job of presenting them. Stiglitz and Bilmes were opposed to the war from the beginning, and *The Three Trillion Dollar*

War contributes to the campaign against it.

Both authors are, however, completely committed to the success of US capitalism. They both support the war in Afghanistan. So their contribution to the anti-war movement ends with Iraq - and at times, they come up with some absurd ideas.

In the fantasy land of Stiglitz and Bilmes, the Bush administration are blunderers who made a "mistake". If only they'd listened to Hans Blix, and had a good grasp of macroeconomics and accounting, they might have spent three trillion dollars on health care and education instead of tanks and bombs!

The authors are incapable of seeing what most people figured out years ago - that the US government and contractors in Iraq are not interested in helping the Iraqi people. Nor do those waging war care about US soldiers and veterans. They want to lie, steal and murder their way to world domination. Simple as that.



These basic flaws make the facts and stats the only real reason to read this book.

By Kate Jeffreys

Socialism

Capitalism is a system of crisis, exploitation and war in which production is for profit, not human need. Although workers create society's wealth, they have no control over its production or distribution. A new society can only be built when workers collectively seize control of that wealth and create a new state in which they will make the decisions about the economy, social life and the environment.

Workers' Power

Only the working class has the power to create a society free from exploitation, oppression and want. Liberation can be won only through the struggles of workers themselves, organised independently of all other classes and fighting for real workers' power - a new kind of state based on democratically elected workers' councils. China and Cuba, like the former Soviet Union and Eastern Europe, have nothing to do with socialism. They are repressive state capitalist regimes. We support the struggles of workers against every ruling class.

Revolution Not Reformism

Despite the myth of parliamentary democracy, the structures of parliament, the army, the police and the judiciary cannot be taken over and used by the working class majority. They grew up under capitalism and are designed to protect the ruling class against workers. There is no parliamentary road to socialism.

Internationalism

Workers in every country are exploited by capitalism, so the struggle for socialism is part of a worldwide struggle. We oppose everything that divides workers of different countries. We oppose all immigration controls. We campaign for solidarity with workers in other countries. We oppose imperialism and support all genuine national liberation struggles.

Liberation From Oppression

We fight for democratic rights. We are opposed to the oppression of women, Maori, Pacific Islanders, gays and lesbians. These forms of oppression are used to divide the working class. We support the right of all oppressed groups to organise for their own defence. All these forms of liberation are essential to socialism and impossible without it.

Tino Rangatiratanga

We support the struggle for tino rangatiratanga. Maori capitalists and politicians have no interest in achieving tino rangatiratanga for working class Maori. The Government and corporate warriors' approach to Treaty claims has benefited a Maori elite while doing little for working class Maori. Tino rangatiratanga cannot be achieved within capitalism. It will only become a reality with the establishment of a workers' state and socialist society.

Revolutionary Organisation

To achieve socialism, the most militant sections of the working class have to be organised into a revolutionary socialist party. Such a party can only be built by day-to-day activity in the mass organisations of the working class. We have to prove in practice to other workers that reformist leaders and reformist ideas are opposed to their own interests. We have to build a rank and file movement within the unions. We are beginning to build such a party, linking the ideas of revolutionary socialism to workers' struggles against the system. If you agree with our ideas and want to fight for socialism, we urge you to join us.



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GLOBAL WARMING AND WAR



Global warming and the terror of war are perhaps the two greatest issues that confront the world today.

When the workings of these disasters are examined, there are a number of chilling parallels. Both are incredibly destructive. Both operate on a worldwide scale, but the results are felt locally.

Both tend to result in the further impoverishment of the poor in the East and the West, while the rich profit. These similarities are no accident – both are the result of the systematic looting and plundering of the Earth's natural and human resources by corporations. Global warming can be traced back to the environmental destruction that is inherent in societies divided into a rich ruling class and poorer working classes, especially capitalism. From the very beginning, capitalism – a system where everything in society is driven by profit – has been premised on the looting and plundering of the natural environment. When the sole goal of producing goods and services is the creation of profit, rather than the fulfilment of peoples' needs, the concept of sustainability is one of the first ideals to be ignored. There remains no real

pressure on the owners of business to replenish the natural environment, after they have taken and profited from it.

The early theorists of socialism, Karl Marx and Fredrick Engels, recognised this dynamic. Writing in *Capital*, Marx wrote that 'capitalist production develops technology and the combining together of various processes into a social whole ... only by sapping the original sources of all wealth – the soil and the labourer,' and consequentially that 'all progress in capitalistic agriculture is a progress in the art of robbing the soil'. While class-based societies have always been environmentally unsustainable, these processes began to develop with increased speed in medieval Europe. As the Middle Ages progressed, increasing areas of forest were cleared and wetlands drained for agricultural land. Markets became more and more central to society, and wilderness – once the habitat of humanity – came to be seen as unused wasteland, useful only in its potential for development, or as a dumping grounds for the market's waste. When markets went global, so did the plunder and destruction of the earth. A good example is the history of the British Empire in India.

Continued inside, page 16...